

EXHIBIT 2

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS (HOUSTON)

IN RE: . Case No. 22-90035
. Chapter 11
.
HONX, INC., et al. . 515 Rusk Street
. Houston, Texas 77002
Debtors. .
. Monday, July 10, 2023
. 2:00 p.m.
.

TRANSCRIPT OF HEARING
BEFORE THE HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY COURT JUDGE

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I N D E X
7/10/23WITNESSESDIRECTCROSSREDIRECTRECROSSFOR THE DEBTORS:

Todd Snyder

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1 (Proceedings commence at 2:00 p.m.)

2 THE COURT: For those of you waiting on the phone,
3 I'm having trouble with my computer. There may be a short
4 delay. We'll call the case in a moment.

5 (Pause)

6 THE COURT: All right. I apologize for the delay.

7 We are here in the HONX case. The case number is
8 22-90035. Appearances have been made electronically.

9 Let me start by asking the debtor to tell me his
10 status, and then anyone else that wishes to participate may do
11 so if you would press "five star" one time on your line. I
12 can't hear you yet. I need to get you connected up.

13 All right. Who do we have for the debtor?

14 MR. FAGEN: Thank you. Your Honor, good afternoon,
15 it's Matthew Fagen from Kirkland & Ellis on behalf of the
16 debtor, HONX.

17 THE COURT: Thank you, Mr. Fagen, I've got a couple
18 other people who want to talk. But again, electronic
19 appearances have been made. I will start with you and then
20 I'll hear from them. Go ahead, Mr. Fagen.

21 MR. FAGEN: Appreciate that. Your Honor, it has been
22 several months since we've had a matter before you for a
23 hearing, but the parties have been active working to move this
24 case forward, most notably filing a plan disclosure statement
25 on May 24th and working toward this day, the disclosure



1 statement hearing. But we're going to seek momentarily
2 approval of our disclosure statement.

3 We've also had several other matters pending and
4 moving forward in the case. We had the bar date, which passed
5 on -- in March. We received many claims -- approximately 1,259
6 asbestos claims, approximately 35 non-asbestos claims.

7 On those 1,259 asbestos claims, approximately 300
8 were new claimants not represented by Burns Charest and the
9 Meirowitz firm, who sit on the Creditors' Committee. And those
10 are parties whose claims we need to learn more about. That set
11 off our personal injury questionnaire process and then pursuant
12 to that process, the order approved by your court, we have
13 served those personal injury questionnaire forms on those
14 approximately 300 new claimants. We're looking forward to
15 receiving more information about their injury and other aspects
16 of their relationship to the debtor, with those forms due on
17 August 26th and then with supporting documentation to verify
18 the information in those forms due on September 26th.

19 But otherwise, Your Honor, we have been proceeding
20 ahead with our agreement in principle that was reached in early
21 February and announced on the record with -- between HONX,
22 Hess, the Creditors' Committee, and Burns Charest, who
23 represents the majority of the asbestos claimants. That
24 included negotiating, documenting, and filing the plan and
25 disclosure statements, the trust distribution procedures that



1 go along with the disclosure statement and plan, and other
2 confirmation related documentation.

3 The party I'm leaving out here, Your Honor, the party
4 of which you say is not currently supported, and I think you'll
5 hear from them. I believe it's going to be exacting to our
6 claim process, is the future claimants' representative and
7 their professionals at Young Conaway.

8 Your Honor, we're going to continue to work with the
9 future claimants' representative and the other parties to see
10 if we can bridge the differences and potentially reach a goal
11 for resolution. We don't have that today and in the absence of
12 that, Your Honor, we're prepared to proceed to a confirmation
13 hearing that we expect to be contested by the future claimants'
14 representative. That should be an interesting process, Your
15 Honor. I don't believe that there has been a contested 524(g)
16 process between a debtor and the future claimants'
17 representatives, although section 524(g) does provide an
18 opportunity for such a process and for confirmation of such a
19 claim. Again, not before the Court today, but I wanted to put
20 before the Court that we could be, and likely are, proceeding
21 toward a contested confirmation here.

22 With that, Your Honor, I'm going to pause, give the
23 podium to other parties who may wish to make statements, and
24 then my colleague, Ms. Fogelberg, will present the disclosure
25 statement motion for approval.



1 THE COURT: Thank you. Mr. Moak, good afternoon.

2 MR. MOAK: Your Honor, you've got Paul Moak here with
3 Reed Smith. Can you hear me?

4 THE COURT: Yes, sir.

5 MR. MOAK: I represent Alcoa and Lockheed Martin. We
6 filed what I'll call a limited objection to the disclosure
7 statement, which I believe has been resolved in full. I don't
8 want to steal Ms. Fogelberg's thunder. I think she's going to
9 describe the resolution to the Court and assuming everything's
10 in order, I'll just say that's right. If she gets it wrong, I
11 guess I'll let you know.

12 THE COURT: All right. So there was an amended
13 disclosure statement that dealt specifically with your
14 objection. Is there something beyond that that's occurred as
15 well?

16 MR. MOAK: I don't believe so, Your Honor. We had a
17 few points, one of which we wanted clarity with respect to how
18 our agreement was going to be treated. The debtors have now
19 told us it's going to be rejected. That's not the outcome we
20 wanted, but at least we have some clarity on how to move
21 forward. We also wanted clarity that our claims against third
22 parties, namely Hess and other non-debtors, were not going to
23 be affected by either the third-party releases or the debtor
24 releases. The debtors have confirmed that that is the case.
25 They will not be impacted in any respect.



1 And finally, Your Honor, we have asked for some
2 clarity on the potential treatment and distributions to
3 asbestos claimants to allow us to evaluate a potential unfair
4 discrimination objection of confirmation. I think the debtor
5 is going to tell you that they view the compromise with the
6 current claimants as effectively paying those folk's claims in
7 full. Again, that was my discussion with Ms. Fogelberg, and I
8 think that's what you'll hear her tell you. And if that's the
9 case, then we'll proceed to confirmation on that point as we
10 need to. But it's not an issue for today.

11 THE COURT: Thank you. I do believe that the
12 disclosure addresses the issues the way that you've described
13 them, Mr. Moak. We'll hear if Ms. Fogelberg thinks differently
14 in a moment.

15 Ms. Barcomb?

16 MS. BARCOMB: Good afternoon, Your Honor. Alicia
17 Barcomb, on behalf of the United States Trustee.

18 Your Honor, I'll just briefly let the Court know that
19 we had many discussions with debtor's counsel prior to today to
20 discuss a couple of issues that the U.S. Trustee noted with the
21 disclosure statement. At this point, one of those issues was
22 resolved, and the second issue is likely a plan confirmation
23 issue, and so we'll take that issue up at the time.

24 The first issue that we noted was with adequate
25 disclosure in the disclosure statement, particularly with the



1 absence of the asbestos trust distribution procedures.
2 However, with the amendments on file to the disclosure
3 statement and the understanding that the asbestos trust
4 distribution procedures in their current form will be
5 solicited, that satisfies the U.S. Trustee on that issue.

6 Your Honor, the second issue related to the
7 exploitative party definition that was included in the plan and
8 otherwise described in the disclosure statement. We are in
9 continuing discussions with debtors' counsel, and we will do so
10 up until plan confirmation. We don't yet have an agreement on
11 which parties should and should not be included in the
12 exploitative party's definition. Though, Your Honor, we'll
13 note that there's been some separation now into a few buckets
14 of different parties receiving different types of relief under
15 the confirmed plan. But we'll continue those negotiations,
16 Your Honor, and file any objection that we see necessary when
17 the plan confirmation comes.

18 THE COURT: Thank you, Ms. Barcomb.

19 Mr. Harron?

20 MR. HARRON: Good afternoon, Judge Isgur. For the
21 record, Ed Harron on behalf of retired Judge Barbara Houser
22 from this court, appointed as future claimants' representative.

23 Your Honor, Mr. Fagen accurately represented that at
24 this point the future's rep does not agree to the plan and
25 intends to oppose it at confirmation. We filed a brief of



1 disclosure statement objection noting our concern that the
2 proposed plan does not satisfy 524(g) so far as its treatment
3 of the future claimants.

4 We have met with the debtor and made a proposal of
5 what we believe would be necessary to satisfy 524(g) in terms
6 of this plan and the Hess contribution. We've also talked with
7 the debtor after we filed our disclosure statement objection,
8 and the revised disclosure statement does address most of our
9 issues. We're down to two issues: One is confirmation
10 scheduling, and then one is a point about the terms of the
11 future reps retention and ability to participate in any
12 confirmation appeals, which I'm prepared to address at the
13 appropriate time.

14 THE COURT: So I want to understand a little bit
15 better your client's view of the timing issue from the filing
16 of the claim on -- in August, to the filing of the
17 documentation in September. So if someone files a claim and
18 your client thinks it is too low, I presume that she would do
19 nothing about that. So that what she would be worried about is
20 a claim that is too high. But tell me if I'm wrong.

21 MR. HARRON: Your Honor, it's a slightly different
22 issue. So far as we understand the plan, the current claims
23 that are subject to the proof of claim and the PIQs. They're
24 going to share pro rata from the current claim high. So it's
25 our view that the value of those claims that come in is not --



1 we won't object to any other claims coming in.

2 We have a different issue. So we have a forecast, as
3 the Court is aware, the Court approved the retention of NERA.
4 The debtor has Bates White and in this professional's forecast
5 a number of future claims. In broad brush, the way they do
6 that is there's generally accepted epidemiological curves that
7 kind of show the portion of population that's likely to
8 contract asbestos disease in the future, a portion of an
9 exposed population. And what these experts do is they look at
10 the pool of current claims. They come up with a view of how
11 many people likely were exposed in this case. They look at the
12 percentage of people who file claims -- current claims, and
13 they extrapolate that percentage to the total incidence curve
14 going forward. And then you break it down by disease:
15 mesothelioma, lung cancer, asbestosis.

16 So for us it's a data issue. The proposal we made to
17 Hess and HONX is our current view of what the future claims
18 liability may be, and it's broken down by disease level. And
19 it's informed by that process. We looked at the claims that
20 have been paid by Hess and HONX in the past. We look at the
21 pending claims, the Burns Charest claims, and we have a view of
22 what they're likely to receive under the proposed plan. And
23 we're also considering the claims that came in of the -- under
24 the bar date, the non-Burns Charest claims.

25 And it's those claims that are really the focus.



1 There's about 300 of them. They didn't do a great job of
2 identifying a disease. They didn't provide much backup. In
3 this case, the proposed -- the payments historically made by
4 Hess, by disease, is pretty substantial. So even though there
5 may not be as many claims, it's still a significant liability
6 because in its history, Hess has paid big dollars to cancer
7 claimants and to non-cancer claimants. So here a difference of
8 even a few claims could move the needle relatively
9 dramatically.

10 So we'd like to do is have the benefit of the data
11 that's coming in under the PIQ, use that to refine the work of
12 our expert so that between now and confirmation and when we get
13 to confirmation, our work will be as precise as it can be under
14 the circumstances, which will enable us to either negotiate a
15 resolution, which we're still attempting to do, or it will make
16 for the best possible record under the circumstances for
17 confirmation. So the problem is that the attachments -- the
18 proof of disease are not due under the current schedule until
19 the 28th of September, which just doesn't give us time for our
20 experts to do the work -- exchange expert reports, depose, all
21 the kind of things that we are going to do leading up to
22 confirmation.

23 So we benefit from the data. We supported the PIQ
24 process in the context of this case. We supported the bar date
25 process. We think the benefit of more folks in data is worth



1 adjourning the hearing for what we've asked, the 30 days.

2 THE COURT: So I'm not --

3 MR. HARRON: That's our position.

4 THE COURT: -- I'm not appreciating yet what's going
5 on. So I want to understand it better. So in late August,
6 people are going to fill out a form and send it in that
7 identifies all the information that you're asking for. But you
8 want to verify that with the backup information, right?

9 MR. HARRON: Yes. We'd like the most information
10 possible under the circumstance. But what -- what you said is
11 accurate, Your Honor.

12 THE COURT: So if 300 of the 300 follow through,
13 which is usually unlikely, but it could happen, we're worried
14 about the subset of the 300 where you believe the backup data
15 is inconsistent with the statements that are submitted on
16 August 26th. Is that right?

17 MR. HARRON: That's accurate. Yeah, we -- none of
18 these --

19 THE COURT: So if it's consistent, you're not worried
20 about it. You're worried about inconsistent backup.

21 MR. HARRON: Right. Either way. It could be
22 inconsistent -- they could understate the disease, they could
23 overstate the disease; we don't know what the backup is going
24 to look like. But yes, inconsistencies between the backup and
25 what's alleged in the PIQ is the issue we're trying to address



1 with the extension.

2 THE COURT: Okay. And let me ask, whether it's
3 Ms. Fogelberg or Mr. Fagen, do you agree that he needs to
4 accurately understand that information? Because then I want to
5 talk about maybe a staged way to deal with inconsistent
6 information. Or do you think that he doesn't even need the
7 August 26th data if it's accurate?

8 MR. FAGEN: Your Honor, it's Mr. Fagen. Can you hear
9 me or am I muted?

10 THE COURT: I can hear you.

11 MR. FAGEN: Okay, great. We do agree that he, and
12 we, need the August 26th data. That it is relevant to the
13 case-in-chief.

14 THE COURT: So --

15 MR. FAGEN: But where we disagree -- where we
16 disagree is that -- and where we disagree is that there's going
17 to be a major change between -- or a lot of data on September
18 26th, I believe it is, that's going to change the analytics and
19 the information we get on August 26th. That it can't be done
20 quickly for the subset of claimants whose data -- whose backup
21 documentation does not match their PIQ responses submitted on
22 August 26th.

23 THE COURT: How long do you think it will take to
24 determine whether the backup data is inconsistent? Is that a
25 long process or is that a short process to determine



1 inconsistency? And I put that --

2 MR. FAGEN: Your Honor, we --

3 THE COURT: -- to both of you too, because I don't
4 know how to know that at all.

5 MR. FAGEN: Your Honor, we're spoken to Bates White,
6 who is our economic consultant for this matter, about this very
7 issue over this past weekend, as we learned of this open issue
8 with the future claimants' representatives.

9 Bates White is highly confident that there will be
10 enough time in between the supporting documentation deadline at
11 the end of the September, and the two weeks that we would have
12 between then and the October 10th confirmation hearing. They
13 believe it could be done in a matter of days.

14 THE COURT: Yeah, my question is a little different
15 than that. And it may be I need you to take a break to get me
16 the answer to this. How long is it going to take just to
17 identify whether the information is inconsistent or not? And
18 I'm not talking about then the additional amount of time to
19 plug it into the model once you figure out any inconsistency.
20 But how long would it take just to determine if there is an
21 inconsistency? Can that be done in one day? Or is that, you
22 know, a month to figure out if there is inconsistent data?
23 Does that question make sense?

24 MR. FAGEN: It does, Your Honor. Before answering,
25 let me see if Mr. Williams can give a specific date. Otherwise



1 we would ask to take a five minute -- or two-minute recess to
2 speak directly to Bates so I can get a number.

3 THE COURT: And here's what I'm thinking about with
4 respect to both of you, is if the numbers of inconsistencies
5 are large, then this does seem like a very short period of
6 time. But if the number of inconsistencies are small, it
7 doesn't seem that way. And so I want to figure out sort of my
8 step one, is how many inconsistencies are there?

9 You know, if -- to be real about stuff, if there is
10 300 claimants, 200 submit data, and then only 100 of those are
11 going to submit their backup data. You're going to have a huge
12 dropout rate as we move forward, is my guess. But if all 100
13 are inconsistent, that's an awful lot of work to figure out.
14 But if only, you know, four are inconsistent, that's not much
15 work to figure out. But I don't know how hard it is to tell if
16 there is, in fact, inconsistency. So I would like to learn
17 that.

18 We just had somebody that's clicked in. Let me see
19 who that is. From the 703 area code. Who do we have? Let me
20 try that again. Yes, who do we have?

21 MR. WILLIAMS: Good afternoon, Your Honor, it's Mike
22 Williams from Kirkland & Ellis, the gentleman who Mr. Fagen
23 just referred to.

24 THE COURT: Hi, Mike -- hi, Mr. Williams.

25 MR. WILLIAMS: Hi, Your Honor. I think I might have



1 an answer for your question, and I might also, if Your Honor
2 will allow me, describe a proposal that we made to the SER that
3 might let us get to this issue --

4 THE COURT: I'm not -- I'm not going to let you --
5 I'm not going to -- I will not let you describe settlement
6 negotiations that have occurred. So, no. You can -- you can
7 make a proposal to me, but not tell me what proposal or what
8 discussions you've had with them. But let's start by answering
9 my question, if you know the answer to it.

10 MR. WILLIAMS: Understood. I think it's more along
11 the lines of a day, Your Honor, for three reasons.

12 First, we're talking about a contingency here. That
13 is the possibility that some of the data might be inconsistent
14 with the forms that will have been filled out 30 days prior,
15 according to the court's order, the PIQ forms. So that's one.

16 Second, I think even as Mr. Harron was suggesting,
17 the focus here is going to be on a particular category of
18 claimants who are filling out these PIQs. So we need to focus
19 our efforts to determine that it's based on the PIQs that were
20 received on August 26th. I'm able to take a look and be able
21 to see if there is some gap -- if there's questionable
22 information, if people are checking too many boxes when they
23 should have checked one, for example, then they are throwing
24 out these forms. So we'll be ready to review the information.

25 And then the third point, Your Honor, is one that you



1 raised, which in particular with this category of people who --
2 many are pro se -- these are the people who aren't represented
3 by Burns Charest, the firm that Your Honor has seen in this
4 case, the chance that they're going to submit significant
5 amounts of medical records and supporting documentation that
6 we'll have to wade through, is relatively small.

7 So what we propose, Your Honor, is that in order to
8 keep the current schedule, we have the PIQ deadline on
9 August 26th and supporting information deadline on September
10 26th. And we propose on September 28th, if either party sees
11 that there is in some glaring inconsistency in this data that
12 would require a supplemental expert report, that party, whether
13 it's the debtor, whether it's the UCC, whether it's
14 (indiscernible) stakeholder, could provide notice that they
15 intend to submit a supplemental expert report within a matter
16 of days. And then in order to accommodate expert depositions,
17 the other parties could take a deposition of the witness who is
18 submitting the supplemental report, just before they testified
19 in confirmation trial.

20 So this would give us a safety valve in case there
21 really is some information that's inconsistent. But it would
22 also allow us to keep moving forward with the court's schedule.

23 THE COURT: So, Mr. Harron, how long do you think it
24 will take to determine the extent of inconsistencies?

25 MR. HARRON: Judge, just looking at the calendar, the



1 26th of September is when they're due. That's a Tuesday. So,
2 you know, they'll probably come in -- you know, assuming
3 they're going to come in later or what have you, you know, we
4 receive them on Wednesday. I would think a week -- October the
5 3rd -- would be a reasonable time to identify, you know,
6 whether there are issues.

7 THE COURT: Okay. I thought the 26th was a real
8 deadline. Is that not a real deadline?

9 MR. WILLIAMS: It is a real deadline, Your Honor.

10 THE COURT: So what if we came in -- I don't buy
11 Mr. Williams' offer. I don't think that's fair, because we
12 don't know what's required at this stage. But what if we
13 set -- and I'm asking, not saying, but what if we set a
14 confirmation hearing, but also set a hearing on October the
15 2nd? And on October the 2nd, we're going to determine whether
16 there is adequate time for the parties to prepare for the
17 confirmation hearing, you know, based on this information,
18 where we'll then know the level of inconsistencies and give you
19 the week that you want. And if you need more time, I would
20 then just continue the confirmation hearing out at that point.

21 But I don't see how I act on this until we know what
22 the inconsistencies are. We certainly are setting a
23 confirmation hearing that is, you know, well out from what
24 rules require in terms of notice. And I certainly don't want
25 to be proceeding with it if you can't evaluate the data. But I



1 don't think you know that either, because if things come in
2 very consistent, you don't really need that extra time.

3 So what would you think of coming in on the 2nd, and
4 we'll hear it? We'll hear disputes about inconsistencies and
5 what additional work needs to be done.

6 MR. FAGEN: Your Honor, that proposal is acceptable
7 to the debtor.

8 MR. HARRON: That's acceptable to the FCR as well,
9 Your Honor, but we have to -- you know, I don't know what that
10 means for the confirmation objection deadline.

11 THE COURT: Well, first of all, what I'm going to
12 require leading up to that before we even go to that, is I want
13 a rolling turnover of the data provided to the FCR, because the
14 26th of September is an outside deadline. And what I'm worried
15 about are inconsistencies that are learned about late. So a
16 lot of people may turn over their data along with their forms
17 that are only submitting one thing. So that's -- you know, do
18 that rolling turnover. And then I want to have a real hearing
19 about what kind of prejudice we're going to have on October the
20 2nd.

21 What is the current proposed deadline, Mr. Harron?
22 Because I'm not going to short you on your deadline for
23 objecting.

24 MR. HARRON: Well, I don't know if this is a typo. I
25 didn't focus on it until too late. But it looks like the



1 confirmation objection is August 21, which is even before the
2 PIQs come in. But that's the date that we picked up from the
3 solicitation procedures.

4 THE COURT: For objections to confirmation?

5 MR. HARRON: I know my friends at Kirkland will
6 correct me if I have that wrong.

7 THE COURT: Mr. Fagen, when do you believe that
8 Ms. Houser's objection deadline should be?

9 MR. FAGEN: Your Honor, we believe it's September
10 11th in the material that we filed.

11 THE COURT: When do you think her deadline should be
12 if she isn't going to get the data from you until the end of
13 September?

14 MR. FAGEN: Well she's going to get -- she's going to
15 get the fixed data on August 26th. We still think that that is
16 a fair objection deadline, although we are supportive of her
17 getting an opportunity to supplement her objection based on the
18 additional data that comes in on September 26th. And for that,
19 if we're going to come before the Court on October 2nd, and we
20 have our confirmation hearing on October 10th -- let me just
21 look at the calendar very quickly, Your Honor, but -- give me
22 one moment.

23 THE COURT: I can do this a little easier. Why
24 wouldn't we just say that the objection deadline for objections
25 that are dependent upon this data will be determined at the



1 | October 2nd hearing, and then I will set a reasonable objection
2 | deadline following that. I'm not going to --

3 | MR. FAGEN: That works for us, Your Honor, thank you.

4 | THE COURT: -- I'm not going to make Ms. Houser guess
5 | at what the objection is when -- till she can get the data.

6 | MR. FAGEN: That's okay with the debtor, Your Honor.

7 | THE COURT: But other objections that aren't
8 | dependent on this data, Mr. Harron, would have to come in
9 | earlier. I assume that's okay with you?

10 | MR. HARRON: That's fine, Your Honor.

11 | THE COURT: Okay. We'll do that.

12 | MR. HARRON: But would like me to note that -- just
13 | like the Court's indulgent to participate virtually on the 2nd?

14 | THE COURT: Everyone can participate virtually on the
15 | 2nd that is a party or an attorney for that party or a
16 | participant in the case. By October 2nd we will no longer
17 | allow members of the general public or the media to participate
18 | remotely in hearings, but they are welcome in open court if
19 | they want to hear what's going on. But we can't broadcast
20 | after the end of the national emergency, but all other
21 | participants I'm authorized to allow to participate, and they
22 | may. I don't think that hurts anyone at all, right? In terms
23 | of -- I doubt we even have media present today, but if we do
24 | then they'll have to come in person to the hearing.

25 | MR. HARRON: Thank you, Your Honor.



1 THE COURT: Mr. Muhammad, go ahead.

2 MR. MUHAMMAD: Good afternoon, Your Honor, Arsalan
3 Muhammad for Hess Corporation.

4 Your Honor, we've obviously been involved in these
5 negotiations and to the parties and we appreciate the parties
6 working hard to at least narrow the issues. But with respect
7 to everything that you said, we have no issues with having a
8 preliminary hearing to ensure that, you know, if the parties
9 can go forward, we do. That being said, obviously we really do
10 believe that October 10th is a perfectly adequate date, but to
11 me, there is not anything that happens that's terribly
12 unexpected. We do think that, you know, on August 26th we
13 should get a substantial amount of information, as Mr. Williams
14 addressed, and that that should be a streamlined process with
15 respect to the September documents.

16 So, Your Honor, no issues with kind of what you're
17 outlining, but we do believe as of right now that the
18 confirmation starting, you know, as soon as possible would be
19 appropriate here.

20 THE COURT: Okay. What time on the 2nd? I am
21 available. So do you all want to do it maybe afternoon to give
22 you all the morning to polish stuff up from over the weekend?
23 Or what -- I don't care.

24 MR. HARRON: Yes. Afternoon is our preference, Your
25 Honor, just for that reason.



1 THE COURT: Two o'clock in the afternoon?

2 MR. FAGEN: It's okay with the debtor, Your Honor.

3 THE COURT: Two o'clock in the afternoon on October
4 2nd we'll have the data hearing, if that's what we can refer to
5 it as.

6 Okay. On the other objection dealing with for how
7 long the FCR receives compensation. Isn't that a confirmation
8 objection and not a disclosure statement objection? It sounds
9 like everybody knows what they're proposing. I'm betting this
10 is a pretty novel question, and I'm wondering if we shouldn't
11 just wait and see if it materializes as a confirmation
12 objection, which is pretty easily repairable if it's valid and
13 something not to worry about too much today, if it isn't. Am I
14 just going to -- if I just let you preserve that till later, do
15 you need a ruling today?

16 MR. HARRON: We do not need a ruling today, Your
17 Honor. We wanted to flag the issue for everyone's
18 consideration, but we agree it's a confirmation issue, and it
19 is novel, as Mr. Fagen noted. We're not aware of another plan
20 that went forward without a CR support, and that kind of --
21 that affects this issue. But yes, Your Honor, we agree this is
22 a confirmation issue, and we'll rate it at that time, thank
23 you.

24 THE COURT: Let me ask Mr. Fagen and Ms. Fogelberg,
25 you all agree that that's one that should be reserved for



1 confirmation, or do you all think we need to resolve it today?

2 MR. FAGEN: Your Honor, we're okay with preserving it
3 for confirmation.

4 THE COURT: Okay. Who else wants to speak up then
5 about what's going in the case? Or should we go to
6 Ms. Fogelberg and then let you all work on a form of order that
7 approves this with the changes that we've talked about today,
8 and to get that uploaded to me.

9 Okay, Ms. Fogelberg --

10 MR. WILLIAMS: Your Honor, it's Mike --

11 THE COURT: I'm sorry, Mr. Williams, go ahead.

12 MR. WILLIAMS: Sorry, Your Honor, we have a
13 representative of the debtor available if Your Honor would like
14 to take evidence relating to the disclosure statement -- just
15 foundational evidence. But if Your Honor would prefer to not
16 do that, we have the representative available.

17 THE COURT: Yeah, I assumed that was something
18 Ms. Fogelberg was going to do, if I've got that wrong and
19 you're going to do it, call your witness.

20 MR. WILLIAMS: I think that would be me, Your Honor.
21 Thank you very much. And for the record, Mike Williams from
22 Kirkland & Ellis on behalf of the debtor.

23 The debtor calls Todd Snyder.

24 THE COURT: All right. If I can get Mr. Snyder to
25 press "five star" one time on your phone.



1 MR. SNYDER: I should be able to be heard, Your
2 Honor.

3 THE COURT: Pardon me?

4 MR. SNYDER: Can you hear me? It's Todd Snyder, Your
5 Honor.

6 THE COURT: Yes. Would you raise your right hand,
7 please?

8 TODD SNYDER, DEBTOR'S WITNESS, SWORN

9 THE COURT: Thank you. Mr. Williams, go ahead.

10 DIRECT EXAMINATION

11 BY MR. WILLIAMS:

12 Q Please state your name for the record.

13 A I'm Todd R. Snyder.

14 Q What is your connection with the debtor of this case,
15 Mr. Snyder?

16 A I am the chief administrative officer of HONX.

17 Q Do you have personal knowledge concerning the contents of
18 the debtor's disclosure statement that appears at Docket Number
19 867 in this case?

20 A Yes, I do.

21 Q What's the basis for your knowledge, sir?

22 A I have participated in all of the proceedings of the
23 bankruptcy case and from slightly before the bankruptcy case.
24 I have been involved in the negotiations that were brokered by
25 Judge Jones that have led to a resolution of many of the core



1 issues in the case. In my capacity as chief administrative
2 officer, I have interacted with the debtor's other
3 professionals as they've developed the disclosure statement.
4 I've read drafts. I've had the opportunity -- Mr. Williams
5 sent out questions of you and others who have put those drafts
6 together. Some of my comments have been reflected in a way
7 that seems to address my issues as I raised them. And then I
8 had the opportunity to review the final product.

9 Q Are the statements in the debtor's disclosure statement,
10 to your knowledge, true and accurate?

11 A Yes, I believe they are.

12 Q Does debtor's disclosure statement provide adequate
13 information for stakeholders to decide whether or not to vote
14 to approve the first amended Chapter 11 plan in this case?

15 A I believe the disclosure statement contains adequate
16 information of parties to make a decision of whether to support
17 or object to the plan.

18 MR. WILLIAMS: Thank you, Your Honor. Nothing
19 further.

20 THE COURT: Is there any cross-examination for
21 Mr. Snyder? I'm not hearing any.

22 On the other hand, I've lost Mr. Harron's picture.
23 Ms. Houser, does he have questions, or did he -- there you go,
24 sorry, Mr. Harron, I just want to be sure we didn't forget
25 about it. You're hard to forget about, but I didn't want to



1 forget about you today.

2 MR. HARRON: Thank you, Your Honor. No questions
3 today, but thank you.

4 THE COURT: Thank you. All right, anyone else?
5 Okay.

6 (Witness excused)

7 THE COURT: I agree with the testimony that's now
8 uncontested, that the disclosure statement does meet all of the
9 requirements of the Bankruptcy Code and does contain adequate
10 information in it. I very much appreciate the amendments that
11 were made. I think they strengthen the disclosure statement
12 quite a bit and they tell people more about what is going on in
13 the case.

14 We also have a very large number of voters that are
15 represented by one firm that has participated heavily in this
16 and that frankly will control the outcome of the voting issues
17 in the case. And it looks to me like we're heading to a
18 disclosure -- to a confirmation hearing that is in all
19 likelihood based on non-voting issues. Those are obviously
20 very important issues that we need to take up, but I don't know
21 that voting is going to turn out to be the most important part
22 of this case. We'll see. I may be surprised by that. But
23 even if voting is, I think the disclosure statement contains
24 adequate information, and I'll approve an order.

25 Ms. Fogelberg, I need to be sure that the order that



1 gets revised and submitted includes the changes that we have
2 talked about. And what I would suggest to you that we do is to
3 tell people that the October 12th date is the date set for
4 confirmation. Tell them that there will be a hearing on
5 October the 2nd.

6 Is it October 12th that is confirmation? I
7 apologize. Let me just be sure I've got that right.

8 UNIDENTIFIED: I believe it's the 10th, Your Honor.

9 THE COURT: October 10th, sorry. I was looking at my
10 calendar, and I didn't see it there. Right. And I think the
11 way for people to learn about it is tell them that if it is
12 continued, it will be continued by an announcement about the
13 docket entry made on the 2nd and by an announcement at the
14 hearing on October the 10th. So that anyone that is counting
15 on participating remotely in the October 10th hearing will be
16 able to hear the announcement of the continuance, but they also
17 can see it on the docket sheet, since there probably won't be
18 time, frankly, to mail notice to the Virgin Islands for
19 everyone to get it if, in fact, we do continue the hearing on
20 the 2nd. So you can vote on an alternative proposal if you
21 want to, that you work out with Mr. Harron, but I want
22 something that people can learn about this and can understand
23 what will happen with the potential continuance, and that will
24 need to be in the order.

25 All right, Ms. Fogelberg. Go ahead.



1 MS. FOGELBERG: Your Honor --

2 UNIDENTIFIED: All right. Thank you.

3 MS. FOGELBERG: -- (indiscernible) on behalf of the
4 debtors, that we understand, we'll make whatever change to make
5 that clear, and we'll run it past counsel for the FCR in
6 advance of filing a revised order.

7 THE COURT: Thank you. So tell me what you wanted to
8 this afternoon, Ms. Fogelberg?

9 MS. FOGELBERG: I -- you know, I had a whole thing
10 ready to go and everybody already covered everything that I was
11 planning on to discuss. So I'm -- I don't have anything else
12 that I need to go over.

13 Oh, sorry, I do have one thing. There is one change
14 in the plan that was not shown in what we filed yesterday. In
15 the plan that we filed yesterday, Article 4C12 of the plan, it
16 discusses Medicare reporting relating to distributions made on
17 account of asbestos claims.

18 THE COURT: Okay. Hold on just a minute. I'm
19 putting that up in front of me.

20 MS. FOGELBERG: I'll give you a second to get there.

21 THE COURT: Do you know what page that's going to be
22 on?

23 MS. FOGELBERG: It's --

24 THE COURT: 4C12. I've got it.

25 MS. FOGELBERG: Okay, great, thank you.



1 There's language currently bracketed requiring has to
2 pay those Medicare reporting costs, however I just got word
3 earlier, but just before the hearing, that Hess and Burns
4 Charest have agreed to split those costs between the two
5 parties. So we'll update a plan to reflect that agreement.

6 THE COURT: All right. That's fine.

7 MS. FOGELBERG: And that was all I had. But we will
8 submit a revised order based on what we've discussed here.

9 THE COURT: So is there anyone that has objections to
10 the contents of the order itself? Okay.

11 When you get that filed, would you send an email to
12 Mr. Laws so that he can put it in my emergency box, and I'll
13 get that done?

14 MS. FOGELBERG: Yes, Your Honor. We will.

15 THE COURT: What else should we try and accomplish
16 this afternoon?

17 MR. HARRON: Your Honor, it's Ed Harron again. May I
18 ask a housekeeping question?

19 THE COURT: Yes, sir.

20 MR. HARRON: What time on the -- assuming we go
21 forward on the 10th, is that a 10 a.m. start time? 9 a.m.?

22 THE COURT: On -- my calendar -- I can move this. My
23 calendar shows it's an all-day hearing that starts at 9 in the
24 morning. So tell me when -- do you want to start at 8?

25 MR. HARRON: I think 9 is fine with us, Your Honor.



1 Do we have time on the 11th if we need to carry over?

2 THE COURT: We do. I -- it won't stay. But right
3 now you do. It will get filled in. But the 10th is fine for
4 you, but right now the 11th is pretty open. I'm not doing much
5 these days, right, so I'll find time for you if you're quick.

6 MR. HARRON: All right. Thank you.

7 THE COURT: Okay. Thank you. Anything else we need
8 to talk about or clean up on? Okay. I appreciate you --

9 MS. FOGELBERG: This is Whitney Fogelberg. Nothing
10 from the debtor's perspective.

11 THE COURT: Thank you. I'll look forward to the
12 order.

13 Mr. Fagen, anything else from you?

14 MR. FAGEN: No, Your Honor, we just wanted to say,
15 thank you, and we'll see you soon.

16 THE COURT: All right. Thank you all. We're in
17 recess until 4:30.

18 (Proceedings concluded at 2:44 p.m.)

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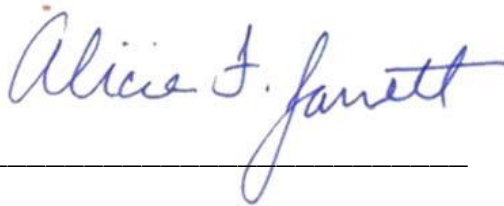
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C E R T I F I C A T I O N

I, Alicia Jarrett, court-approved transcriber, hereby
certify that the foregoing is a correct transcript from the
official electronic sound recording of the proceedings in the
above-entitled matter.



ALICIA JARRETT, AAERT NO. 428

DATE: July 12, 2023

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